5'6615-2

JUNE 1991

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Apr.	1991	5.8
Mar.	1991	5.8
Apr.	1990	5.0

United States (Seas. Adj.)

Apr.	1991	6.6
Mar.	1991	6.8
Apr.	1990	5.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Apr.	1991	134.3
Mar.	1991	134.8
Feb.	1991	134.9
Jan.	1991	135.2
Dec.	1990	133.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Mar.	1991	$11.45
Feb.	1991	$11.44
Mar.	1990	$11.04

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Mar.	1991	38.9
Feb.	1991	39.0
Mar.	1990	39.5

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1990	129.8
Yearly change	6.7%
Annual Average 1990	127.4
Yearly change	5.8%

United States

Apr. 1991	135.2
Yearly change	4.9%
Annual Average 1990	130.7
Yearly change	5.4%

Portland Hotline 326-4132

THE GREATEST SHOW ON EARTH

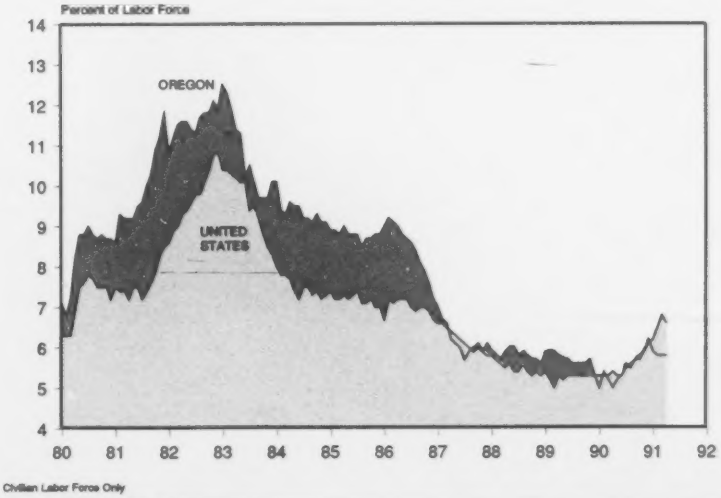
Frank Ryals

We are, indeed, cursed to live in interesting times. In fact, even normally-dry economic news can take on an almost carnival aura during times like these. Trying to analyze job trends in the Oregon economy these days is very much like watching simultaneous high wire acts in a three-ring circus. Various parts of the state's economy are performing amazing and terrible feats before our very eyes as we watch transfixed. At one end of the tent, thousands of workers in an entire industry are falling toward the sawdust below and we can't yet tell if they have a net. At the other end, workers in other industries jump through a ring of the fires of recession, but come through with only minor injuries. In the center ring, the workers with jobs gained in the last few years are walking a nine-month-long tightrope over the same fires of recession. We watch with breathless anticipation as these tightrope walkers stumble and slow down, trying to keep their balance. How many will make it across the chasm without falling into the recession? Stay tuned.

Seriously, though, the performance of the Oregon economy bears close watching during this time of national recession. Those who remember the early 1980s, with massive layoffs, job disappearances and outmigration, do not want to go through such a disaster again.

For now at least, most Oregon workers are relatively safe; the seasonally adjusted unemployment rate remained at 5.8% in April, its third month at that level. But safety does not imply growth; employers around the state had been expected to add 10,300 jobs last month, springtime being the start of the busy season for many. However, all they could manage was a 5,000 employment increase over March. This slowing of growth does indicate that Oregon businesses are being singed by those fires of recession at the circus.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	1/ APR. 1991	2/ MAR. 1991	APR. 1990	CHANGE FROM MAR. 1991	CHANGE FROM APR. 1990
TOTAL 5/	1,250,000	1,245,000	1,238,800	5,000	11,200
WAGE & SALARY EMPLOYMENT INDEX 6/	134.3	134.8	133.1	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	256,400	255,800	267,800	600	- 11,400
SERVICE PRODUCING INDUSTRIES 8/	993,600	989,200	971,000	4,400	22,600
TOTAL MANUFACTURING	204,200	204,800	215,200	- 600	- 11,000
DURABLE GOODS	147,300	147,700	158,000	- 400	- 10,700
LUMBER & WOOD PRODUCTS	55,500	55,200	64,400	300	- 8,900
LOGGING	9,100	9,000	10,200	100	- 1,100
SAWMILLS	19,300	19,400	22,300	- 100	- 3,000
VENEER & PLYWOOD	11,500	11,300	15,400	200	- 3,900
MILLWORK & STRUCTURAL WOOD	9,500	9,400	10,600	100	- 1,100
MOBILE HOMES	2,100	2,100	1,800	0	300
OTHER WOOD PRODUCTS	4,000	4,000	4,100	0	- 100
FURNITURE AND FIXTURES	3,000	3,000	3,100	0	- 100
STONE, CLAY, GLASS & CONCRETE	4,200	4,200	4,200	0	0
PRIMARY METALS	11,300	11,400	11,100	- 100	200
BLAST FURNACES, IRON & STEEL 9/	5,900	5,900	5,600	0	300
NONFERROUS METALS 9/	5,400	5,500	5,500	- 100	- 100
FABRICATED METALS	11,100	11,000	11,400	100	- 300
FABRICATED STRUCTURAL METALS	4,700	4,700	4,800	0	- 100
OTHER FABRICATED METALS	6,400	6,300	6,600	100	- 200
MACHINERY	16,400	16,500	18,000	- 100	- 1,600
OFFICE & COMPUTING MACHINES	4,300	4,300	4,600	0	- 300
OTHER MACHINERY	12,100	12,200	13,400	- 100	- 1,300
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,500	17,400	17,300	100	200
TRANSPORTATION EQUIPMENT	12,800	13,300	12,200	- 500	600
INSTRUMENTS & RELATED PRODUCTS 9/	11,600	11,800	12,400	- 200	- 800
MISCELLANEOUS MANUFACTURING	3,900	3,900	3,900	0	0
NONDURABLE GOODS	56,900	57,100	57,200	- 200	- 300
FOOD & KINDRED PRODUCTS	21,100	21,200	21,700	- 100	- 600
CANNING & PRESERVING	9,700	9,800	10,600	- 100	- 900
OTHER FOOD PRODUCTS	11,400	11,400	11,100	0	300
TEXTILE MILL PRODUCTS	1,500	1,500	1,600	0	- 100
APPAREL	2,700	2,800	2,900	- 100	- 200
PAPER & ALLIED PRODUCTS	9,300	9,300	8,700	0	600
PRINTING & PUBLISHING	14,300	14,300	13,900	0	400
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,300	0	0
PETROLEUM & ASPHALT PRODUCTS	600	500	600	100	0
RUBBER & PLASTIC PRODUCTS	4,600	4,700	5,000	- 100	- 400
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	1,045,800	1,040,200	1,023,600	5,600	22,200
MINING & QUARRYING	1,600	1,600	1,500	0	100
CONSTRUCTION	50,600	49,400	51,100	1,200	- 500
BUILDING CONSTRUCTION	11,000	11,200	13,600	- 200	- 2,600
HEAVY CONSTRUCTION	7,400	6,700	6,800	700	600
SPECIAL TRADE CONTRACTORS	32,200	31,500	30,700	700	1,500
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,800	63,600	63,300	200	500
TRANSPORTATION	42,400	42,200	42,000	200	400
RAILROAD	3,700	3,700	3,800	0	- 100
TRUCKING & WAREHOUSING	24,000	23,700	23,900	300	100
OTHER TRANSPORTATION	14,700	14,800	14,300	- 100	400
COMMUNICATIONS	12,200	12,200	12,200	0	0
UTILITIES	9,200	9,200	9,100	0	100
TRADE	312,700	310,500	306,600	2,200	6,100
WHOLESALE TRADE	80,700	81,300	78,000	- 600	2,700
DURABLE GOODS	46,500	46,400	45,600	100	900
MACHINERY, EQUIPMENT, & SUPPLIES	10,600	10,500	10,700	100	- 100
OTHER DURABLE GOODS	35,900	35,900	34,900	0	1,000
NONDURABLE GOODS	34,200	34,900	32,400	- 700	1,800
GROCERIES & RELATED PRODUCTS	12,300	13,100	11,700	- 800	600
OTHER NONDURABLE GOODS	21,900	21,800	20,700	100	1,200
RETAIL TRADE	232,000	229,200	228,600	2,800	3,400
BUILDING MATERIALS & GARDEN SUPPLIES	9,100	8,800	8,700	300	400
GENERAL MERCHANDISE	29,200	28,900	29,300	300	- 100
FOOD STORES	38,200	38,100	38,300	100	- 100
AUTO DEALERS & SERVICE STATIONS	28,300	27,600	28,000	700	300
APPAREL & ACCESSORY STORES	9,400	9,700	9,300	- 300	100
FURNITURE & HOME FURNISHINGS	9,300	9,500	9,500	- 200	- 200
EATING & DRINKING PLACES	84,600	82,500	81,900	2,100	2,700
MISCELLANEOUS RETAIL	23,900	24,100	23,600	- 200	300
FINANCE, INSURANCE, & REAL ESTATE	81,400	80,800	78,300	600	3,100
FINANCE	28,600	28,600	28,300	0	300
INSURANCE	23,200	23,100	22,800	100	400
REAL ESTATE	29,600	29,100	27,200	500	2,400
SERVICES	304,300	302,800	295,600	1,500	8,700
HOTELS & OTHER LODGING PLACES	20,000	19,200	19,000	800	1,000
PERSONAL SERVICES	11,100	11,100	11,400	0	- 300
BUSINESS SERVICES	48,700	50,000	50,000	- 1,300	- 1,300
AUTOMOTIVE & MISC. REPAIR SERVICES	17,300	17,100	16,700	200	600
MOTION PICTURES & AMUSEMENTS	15,100	14,700	15,000	400	100
HEALTH SERVICES	87,300	86,900	83,900	400	3,400
LEGAL SERVICES	9,100	9,000	8,700	100	400
PRIVATE EDUCATION	17,500	17,700	15,400	- 200	2,100
SOCIAL SERVICES	28,000	27,900	27,300	100	700
ENGINEERING & MANAGEMENT SERVICES	21,900	21,500	21,200	400	700
OTHER SERVICES & NEC	28,300	27,700	27,000	600	1,300
GOVERNMENT	231,400	231,500	227,200	- 100	4,200
FEDERAL GOVERNMENT	33,300	32,600	34,500	700	- 1,200
STATE GOVERNMENT	62,900	63,100	60,800	- 200	2,100
EDUCATION	26,500	26,700	26,000	- 200	500
OTHER STATE	36,400	36,400	34,800	0	1,600
LOCAL GOVERNMENT	135,200	135,800	131,900	- 600	3,300
EDUCATION	86,500	87,300	84,000	- 800	2,500
OTHER LOCAL	48,700	48,500	47,900	200	800
LABOR-MANAGEMENT DISPUTES 10/	0	0	900	0	- 900

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	APR. 1991 1/	MAR. 1991 2/	APR. 1990	CHANGE FROM MAR. 1991	CHANGE FROM APR. 1990
CIVILIAN LABOR FORCE 3/	1,508,500	1,473,400	1,459,500	35,100	49,000
UNEMPLOYMENT	88,500	92,900	74,800	- 4,400	13,700
PERCENT OF LABOR FORCE	5.9	6.3	5.1	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.8	5.8	5.0	XXX	XXX
TOTAL EMPLOYMENT 4/	1,420,000	1,380,500	1,384,700	39,500	35,300

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

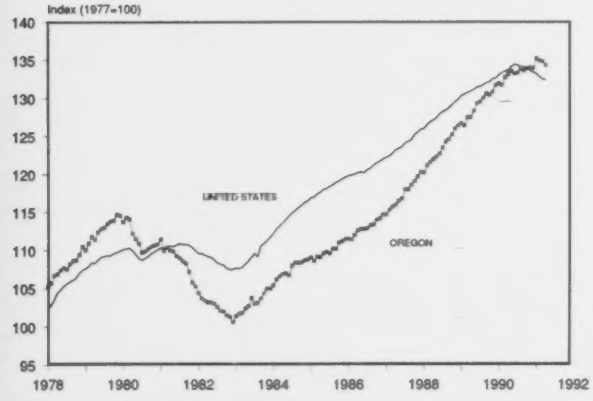
In fact, parts of the state are experiencing hard times every bit as bad as they suffered in the last recession. Multiple negative events on both the supply and demand fronts have caused the loss of some 9,000 jobs in lumber and wood products in the past year. This industry has been swallowed by the lack of demand for lumber caused by the recession as it affects other regions of the country. Furthermore, shrinking supplies of public timber available to harvest will almost assure that, for many timber workers, there may be little light at the end of the tunnel. Human resource analysts are among those who are watching the rest of the Oregon economy intently, hoping that it will remain healthy enough to create the jobs into which many of these dislocated workers must move, if they are to remain a viable part of the state's workforce.

For the record, lumber and wood products gained 300 jobs in April, mostly as a result of a couple of veneer and plywood mills which rehired workers previously laid off. Unfortunately, by mid-May, three major new layoffs had been announced: the Weyerhauser plywood mill in Springfield, the Willamette Industries plywood mill in Lebanon, and a Willamette Industries logging crew in the Lebanon-Sweet Home area. The closing of the Weyerhauser mill, an old-growth facility, was not unexpected, but the Willamette Industries mill is a modern mill utilizing second-growth trees. This demonstrates the degree to which the recession has made the prospects for this basic Oregon industry even worse.

Other durable goods manufacturing industries were mixed in their fortunes last month. Electronic components firms have added 100 jobs; they have been responsible for virtually all growth in high tech in the last four years. Oregon's other major high tech industry, instruments and related products, lost 200 jobs. This industry has been shrinking for the last six years. Together, these two industries have given high tech employment in the state a "forward three steps, back two" trend, which will probably continue through the present recession.

Ship building and repair has been on a roll since last summer. This extremely

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



OREGON NONAG WAGE & SALARY EMPLOYMENT
CHANGE FROM ONE YEAR AGO

volatile industry routinely goes from feast to famine and back again, depending on whether there are ships in the dry docks. Now, the current round of repairs is coming to an end, and contractors have cut back 700 jobs to 3,300. Unless new ships come in, more layoffs can be expected in coming months.

In nondurable goods manufacturing, the only noteworthy employment change last month was in rubber and plastic products. This industry slipped 100 to 4,600. It peaked in employment last August at 5,100.

The construction industry is one of the wire-walkers that deserves especially close scrutiny. The fortunes of this industry might be a good indicator of how the Oregon economy as a whole will do in the near future and how well we will escape the national recession.

There is no doubt that construction activity has slowed. Employment levels for the industry overall are 500 below last April, and the springtime hiring surge has been abnormally puny this year. This slowdown is nothing compared with what happened to the industry in the 1980-82 slide, though. Then, construction lost around 32,000 jobs statewide as construction, especially residential building, virtually disappeared. Inventories of houses and apartments in the state were far in excess of demand, and the imbalance was made worse as the state lost population for several years.

Now, fortunately, things are different. Housing construction seems to be roughly in equilibrium with demand, the state is gaining about 50,000 new residents a year, and interest rates have recently been lowered to a relatively attractive level. All of these factors should prevent construction activity from falling much lower than it is now. Actually, looking at the three sectors within construction gives further reassurance that employment levels should hold up fairly well.

The only sector to really feel the recession has been building construction, which is down 2,600 from a year ago. Taking up much of the slack, though, are the other two sectors, heavy construction and special trades contractors. Between them, they are 2,100 jobs ahead of last year, thus softening the effect on the industry as a whole.

An accompanying table of building permits issued in the state during the past year shows part of the reason why the construction industry has added some 1,300 fewer jobs than expected last month. Beginning last September, building permits for both single and multiple family units began to slump. This kind of reduction in planned activity must eventually be echoed in the numbers of jobs, and this is probably what we are seeing now. Please note, also, that the March numbers are larger than February's. One month of improvement is certainly not enough to be called a trend, but if it is, then perhaps residential construction will rebound after an appropriate lag, around next fall.

SINGLE-FAMILY & MULTI-FAMILY HOUSING UNITS AUTHORIZED BY BUILDING PERMITS STATE OF OREGON, 3-90 TO 3-91

Month	Single Family	Multi Family	Monthly Total	Nonreport Factor
March	1,217	900	2,117	13.3
April	1,299	852	2,151	12.5
May	1,296	935	2,231	19.6
June	1,292	1,720	3,012	16.6
July	1,372	999	2,371	17.4
August	1,309	1,162	2,471	16.6
September	864	297	1,161	20.4
October	1,152	390	1,542	14.2
November	660	521	1,181	13.9
December	432	394	826	9.7
January	652	232	884	10.6
February	700	90	790	13.7
March	862	310	1,172	16.7
4-90 to 3-91	2,214	632	2,846	
4-89 to 3-90	3,046	2,547	5,593	
% Change, 90-91	-27.3	-75.2	-49.1	

Source: Oregon Housing Agency

Trucking and warehousing gained 300 last month, but this is only 100 above April 1990. Railroad employment stayed the same last month while other transportation (water and air) lost 100, but only railroads lost employment compared with last year (-100).

Wholesale trade businesses have been slowly losing ground since January. Moreover, these firms lost 500 more jobs last month than expected at this time of year. Fresh fruit and vegetable wholesalers have cut 700 jobs since March to lead this decline. This industry can be affected by anomalies of both season and weather, as well as by the purchasing power of consumers.

The growth in recent years of the contingent labor force . . . has made the industries utilizing these workers appear to be more stable, while the temporary agencies' employment levels bounce up and down . . .

Retail trade is another industry which is only barely balancing on the tightrope. Seasonal adjustments reveal a 600 job shortfall from expectations. Although most sectors within retail trade posted employment growth, the only industry to exceed expected growth was food stores, which grew 100 jobs to 38,200. Apparel, furniture/home furnishings, and miscellaneous retailers actually lost employment in April.

The FIRE industrial sector (not to be confused with the fires of recession mentioned above) gained 600 jobs over the month, about as expected. The finance sector held its ground, while insurance added 100 jobs, and real estate swelled by 500. The growth in real estate employment is one more heartening sign for those watching the construction industry, since real estate firms don't tend to add workers if they don't see significant interest from prospective buyers.

Service industries added 1,500 jobs in April. They were expected to add 2,700 jobs, so some sectors did not perform up to par. Chief among these was the personnel services sector, which dropped 1,300 jobs to 14,900. Personnel services has become volatile because it includes temporary help agencies. The growth in recent years of the contingent labor force, of which workers in temporary agencies are a part, has made the industries utilizing

these workers appear to be more stable, while the temporary agencies' employment levels bounce up and down with seemingly reckless abandon.

Elsewhere in services, hotel and other lodging places added 800 jobs, which is exactly what they were expected to do in April.

Government agencies lost 100 jobs, when they were supposed to stay at last month's level. Within this placid exterior, federal government and local government not including education gained jobs, while state government and education declined. Also interesting to note is that all sectors of government are above April 1990 employment levels except federal, which is 1,200 lower. Part of the increase over-the-year in state government is due to the current legislative session.

Geographic and skill barriers will make transition beyond the timber industry difficult for both workers and communities.

Our economic high wire act is far from over. Some Oregon industries have already fallen from the wire and are experiencing truly hard times, for which it will take more than a mere economic recovery to mend. Unfortunately, for many Oregon timber firms, workers and communities, the relative good fortune enjoyed by the majority of the state's businesses and workers at this point in the recession, are passing them by. Geographic and skill barriers will make transition beyond the timber industry difficult for both workers and communities.

Most other sectors of the state seem a bit unsteady, but not at immediate risk of falling, and a few seem to be doing fine. The big picture seems to be holding its focus—that of a state economy doing better than the nation as a whole, and not destined to repeat the tumble into deep recession which it took in 1980. The construction and durable goods manufacturing sectors should be closely watched over the summer; if they make it across the tightrope in one piece, most of the Oregon economy should be able to follow. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar.[2] 1991	Feb.[3] 1991	Mar. 1990	Mar.[2] 1991	Feb.[3] 1991	Mar. 1990	Mar.[2] 1991	Feb.[3] 1991	Mar. 1990
TOTAL MANUFACTURING[4]	$445.41	$446.16	$436.08	38.9	39.0	39.5	$11.45	$11.44	$11.04
Durable Goods	444.65	445.77	440.59	38.8	39.0	39.8	11.46	11.43	11.07
Lumber & Wood Products	418.13	422.94	438.69	37.3	38.0	39.7	11.21	11.13	11.05
Logging & Sawmills	449.32	458.92	462.95	37.6	38.5	39.2	11.95	11.92	11.81
Veneer & Plywood	411.73	390.55	441.86	38.3	36.5	40.8	10.75	10.70	10.83
Millwork & Structural	341.25	362.52	381.24	35.0	38.2	40.3	9.75	9.49	9.46
Mobile Homes	303.36	334.43	350.04	31.6	34.3	36.5	9.60	9.75	9.59
Other Wood Products	449.15	436.51	424.91	40.5	39.9	39.6	11.09	10.94	10.73
Furniture & Fixtures	388.21	374.19	349.67	37.4	36.4	36.5	10.38	10.28	9.58
Primary Metals	527.85	539.25	510.45	41.4	41.9	41.0	12.75	12.87	12.45
Fabricated Metals	423.38	416.21	421.08	38.7	37.7	39.8	10.94	11.04	10.58
Machinery (Ex Electrical)	447.82	439.77	453.17	39.7	39.3	40.9	11.28	11.19	11.08
Nondurable Goods	449.95	448.48	421.51	39.4	39.1	38.6	11.42	11.47	10.92
Food & Kindred Products	364.28	356.85	342.31	37.4	36.6	36.3	9.74	9.75	9.43
Canning & Preserving	306.49	304.88	287.93	36.1	35.7	34.9	8.49	8.54	8.25
Other Food Products	430.23	413.22	412.24	38.9	37.6	38.1	11.06	10.99	10.82
Textile Mill Products	276.75	256.68	244.60	37.5	35.6	32.7	7.38	7.21	7.48
Apparel	279.80	280.21	269.40	38.7	39.3	39.1	7.23	7.13	6.89
Paper & Allied Products	683.72	671.83	640.04	43.8	43.4	41.4	15.61	15.48	15.46
Printing & Publishing	496.52	514.44	494.00	38.7	39.3	40.0	12.83	13.09	12.35
Construction[4]	589.87	590.41	571.21	36.1	36.4	36.9	16.34	16.22	15.48
Communications & Utilities[5]	616.45	604.66	532.67	41.4	41.5	39.9	14.89	14.57	13.35
Trade[5]	276.12	272.27	321.39	31.2	30.8	34.3	8.85	8.84	9.37
Wholesale Trade	435.10	435.47	423.29	38.0	37.9	38.1	11.45	11.49	11.11
Retail Trade	221.18	216.98	268.41	28.8	28.4	32.3	7.68	7.64	8.31
Banking & Insurance[5]	387.59	383.76	362.18	36.6	36.9	36.4	10.59	10.40	9.95
State & Local Government	420.68	425.56	399.28						

[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1987 Standard Industrial Classification (SIC) codes.

[2]Preliminary

[3]Revised

[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Prior to 1991, data for retail trade excludes eating and drinking places.

SCHOOL AND WORK — A CONFLICT OR AN OPPORTUNITY?

Mary Wendy Roberts
Oregon Commissioner of Labor

For too long, we thought that school and work were two different things. Now we're realizing that those in school are working, and those at work are learning. Unfortunately, what young people are taught in school is often totally divorced from their on-the-job experience — both at their after-school jobs and in their careers after they graduate. It's no wonder that over 20 percent of high school students in the United States drop out of school. They just don't see the relevance of what they are learning.

. . . over 20 percent of high school students in the United States drop out of school.

Strengthening the connections between school and work can be done in many ways — from expanding current cooperative work experience programs, to requiring a contract between employer, parents, the school and the student when the student gets a job. Comprehensive restructuring of schools is the method that holds the most promise. It is this method that is being implemented at Roosevelt High School in Portland.

The Oregon Bureau of Labor and Industries is working with Roosevelt to refocus the curriculum to include vocational-technical courses and monitored work experiences. The goal is two-fold: to improve the job success of graduates and to drastically decrease the dropout rate.

The program, called "Roosevelt Renaissance 2000," will restructure the school's curriculum over a five-year period. Students will receive career guidance counseling in addition to the vocational-technical courses based on industry guidelines. Some of the course work includes applied mathematics, physics, and communication, as well as hands-on guided work experiences. Evaluation of work will be done through actual demonstration of skill proficiency.

With the cooperation of local businesspeople, parents, teachers, labor leaders and local community colleges, the Roosevelt program will provide students with a comprehensive preparation for a career in the skilled trades, and in areas such as electronics, manufacturing, and health care. The Roosevelt graduates' high skill levels will enable them to continue their training after graduation in an apprenticeship program, at a community college, or directly on the job.

Nationally, nearly 90 percent of all high school students have worked by the time they are seniors.

Some people worry that work-based education might detract from a student's educational experience. But the reality is that teenagers are already working and going to school. Nationally, nearly 90 percent of all high school students have worked by the time they are seniors. In Oregon, there were 84,000 young people aged 16 to 19 employed in 1989. The Oregon Bureau of Labor and Industries has doubled the number of work permits issued to young people in the last eight years.

Yet despite the large numbers of young workers, many employers still complain that the young people who come to them for jobs just don't have the right skills. Employers must often train their young employees in the most basic occupational skills, such as mathematics and making change, and teach them correct workplace behavior.

To study the complex relationship between work and school, I appointed a Child Labor Task Force last September. In the last nine months, the Task Force has been examining the effects work has on the health, well-being, and school performance of Oregon teenagers. They talked to employers to find out how they felt about the young people who worked for them. From public testimony at seven communities around the state, and from a survey of employers, some interesting results have surfaced.

Some working kids testified that if their working hours were curtailed, they would leave school. By working full-time, they said, they can afford a car and all the clothes they want. In some areas the kids needed to work because they were their own sole support. There were also students with 20-hour-a-week jobs who maintained 4.0 GPAs.

More than 85 percent of employers of minor employees said they would be willing to participate in a program overseen by the school in which students would be allowed to work during school hours, with special on-the-job skills training and credit towards high school graduation.

It is clear from this kind of support that the time is ripe for a concerted reform of our educational system. For education to be effective at preparing our children for tomorrow's jobs, we must broaden our beliefs about school and work — so that "school" no longer means just classroom lectures, tests and rote memorization. School must include technical and vocational courses, applied academics, and hands-on work experience. Roosevelt High School is an example of these concepts at work.

State Representative Vera Katz's "Oregon Educational Act for the 21st Century," HB 3565, is another. The bill would establish a statewide system of technical and professional certificates and associate degrees for the non-college bound, and would also develop rigorous educational standards for all students, benchmarked to equal the highest in the world.

. . . the jobs of the future will require workers who are highly-skilled in mathematics, communication, and problem-solving.

None of these dynamic ideas about education can be successful unless all agree that educating our children — tomorrow's workforce — is a top priority. We know that the jobs of the future will require workers who are highly-skilled in mathematics, communication, and problem-solving. We also know that young people are already working and going to school. It makes sense to link school and work in such a way that work becomes part of a young person's education and training. Now is the time to enact these ideas so that we may fulfill business and industry's need for skilled workers — and our children's need for work experience that relates directly to the 1990s, and beyond. □

OREGON'S AGRICULTURAL SECTOR

Mike Martin

(Editor's note: Mike Martin is a professor of agricultural and resource economics at Oregon State University. In this two-part article on Oregon agriculture, Part I looks at structural and geographic changes occurring in the state's agricultural sector. Part II, which will appear in next month's issue of Oregon Labor Trends, will discuss the regional development impacts of these changes as well as some challenges and problems facing Oregon's agriculture.)

Introduction

Oregon's economy rests heavily on its natural resource sectors. A major natural resource sector for Oregon is agriculture. In 1990, Oregon's 32,000 farms generated $2.6 billion of gross farm gate sales. Over the past decade, sales of Oregon agricultural commodities have steadily increased (see Figure 1; also note that values on all figures are in nominal terms, with no adjustment for inflation). As a consequence, agriculture makes significant contributions to aggregate state income and to the economies of several subregions and rural communities.

Agriculture contributes to economic activity through the purchase of agricultural inputs, and through the sales, marketing, processing and handling of agricultural outputs. Incomes generated by farmers are spent and respent in rural communities and throughout the state. Moreover, agriculture contributes to the economic critical mass which makes other activities viable. For example, the handling, transporting and exporting of agricultural commodities down the Columbia River and through the Port of Portland makes the Port and river transportation viable to support nonagricultural industries and sectors. Downriver transportation of wheat creates inexpensive upriver excess capacity for the movement of other products and commodities. The handling of wheat and other exports through the Port makes the Port of Portland an international facility. Early ventures into world markets by agricultural exporters have served as a wedge for other international trade from Oregon.

The state's agricultural sector continues to be competitive and dynamic because it holds a comparative advantage, both nationally and internationally. The topography, climate, soil and water resources combined with advanced technology and progressive management have made Oregon a major player in global food supply. As a consequence, agriculture contributes and will continue to contribute significantly to the state's economy.

Structural and Geographic Change for Oregon's Agriculture

While this state has a long history as a major agricultural producer, the agricultural sector of Oregon has undergone considerable change in recent years. The structure of farming has changed significantly. While there are more than 32,000 farms in Oregon, the size and nature of farms has become increasingly bimodal. At one extreme are family corporate farms which purchase a substantial portion of their productive inputs, including labor, from off-farm. These are the principal contributors to total farm sales in the state.

In 1969, three percent of Oregon's farms had annual sales of more than $100,000. These farms produced 40 percent of total state agricultural sales. By 1987, farms with more than $100,000 in sales accounted for 82 percent of total sales and comprised 12 percent of Oregon's farms. While inflation over this period largely accounts for these higher percentages, the proprietors of these large operations still earn the major portion of their family income from farming.

At the other extreme are a growing number of small non-conventional farms. Small farms, those with sales of less than $10,000 per year, now account for two-thirds of all farms in the state. These tend to be operated by part-time farmers who earn the majority of their household income from nonfarm activities. Over time, we've seen a decline in the number of traditional mid-size family farms. These farms have either been split into smaller part-time farming units or consolidated into larger commercial enterprises.

The economic geography of Oregon's agriculture is undergoing change as well. Traditional agriculture, grain and livestock production, practiced largely in central and eastern Oregon, has been stagnant or in decline in recent years. Driven by increased costs of production and volatile prices, the production of cattle and calves has trended down slightly over the past decade. Wheat production has been enhanced by slightly increased yields; however, a declining number of acres planted has resulted in a drop in total wheat production from 77.4 million bushels in 1980 to an estimated 56.7 million bushels in 1990. The federal

Figure 1 OREGON'S AGRICULTURAL SALES
$ Million

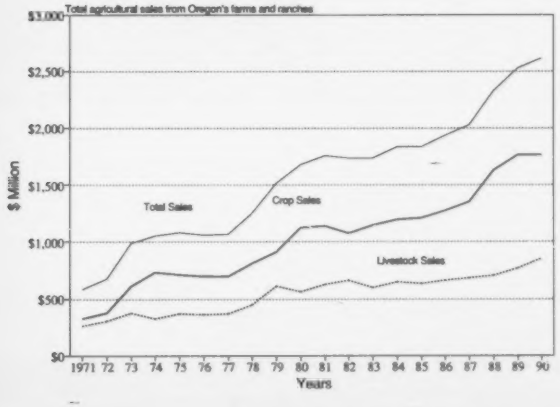
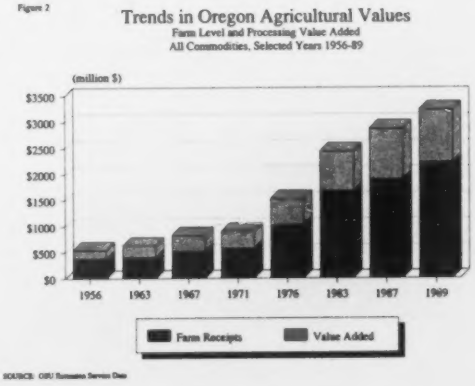


Figure 2



Conservation Reserve Program (CRP) has taken nearly 520,000 acres of land out of wheat production. The value of wheat sales has dropped from $308 million to $215 million since 1982. In 1986 and 1987, values of wheat sales dipped below $160 million.

While the traditional agricultural commodities of eastern Oregon have been in decline, nontraditional specialty crops, produced primarily in western Oregon, have shown marked increase in both production and in value of sales. The production of horticultural crops, nursery products, wine grapes, fruits, vegetables and farm forestry have all gained significantly, both in terms of production and value of sales. As a result of fundamental changes in Oregon's agriculture, the dynamic part of agriculture is now largely west of the mountains. In 1980, sales from western Oregon accounted for 46 percent of Oregon's total agricultural sales. By 1990, western Oregon counties contributed more than 60 percent of total sales. Table 1 also reveals the westward shift in Oregon's agriculture. Today, three of the top five agricultural counties are west of the Cascades.

Along with the increased value of farm sales from western Oregon, there has also been a marked increase in agricultural processing in this subregion. In 1989, the value of processed vegetables from western Oregon approached $100 million. Figure 2 shows the steady growth of food processing since the mid-1950s. Processing of potatoes for export has increased sharply in recent years.

TABLE 1

Rank	1980	Value of Sales (thousands)	1990	Value of Sales (millions)
1	Marion	$184,846	Marion	$330,041
2	Umatilla	158,761	Clackamas	197,822
3	Malheur	144,980	Malheur	163,037
4	Clackamas	100,420	Umatilla	152,169
5	Morrow	90,140	Washington	151,291

Among the most dramatic increases in agricultural processing has been in the production of wine. Over the past few years, wine production has increased at the rate of more than 10 percent per year. The state of Oregon now has over 90 wineries producing a number of varieties and types of wines. Beyond adding high-valued production to Oregon's farm gate sales and creating additional value via processing, Oregon's wineries also serve as an attraction for tourists. Thus, wineries serve a complementary role for Oregon's important tourism sector.

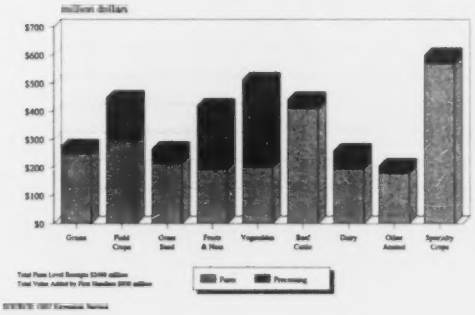
As can be noted in Figure 3, vegetable processing remains the dominant value-added agricultural industry in Oregon. All indications suggest that this industry will continue to grow.

(The second part of this article will appear in next month's issue of Oregon Labor Trends.) □

Figure 3

1989 Oregon Agricultural Commodity Value

Estimated Farm Level Receipts and Processing Value Added by First Handlers



LMI LABOR MARKET INFORMATION

STATE OF OREGON

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division.

Virlena Crosley, Assistant Administrator
Jeffry Hannum, State Economist and Editor
Kathi Groome, Typesetting
Carol Schmidt, Graphic Artist

Please send any address changes to Research & Statistics, LMI Programs Unit, Room 207, 875 Union Street NE, Salem, OR 97311 or phone (503) 378-8657

Material contained in this publication is in the public domain and may be reproduced without special permission. Please credit **OREGON LABOR TRENDS**, Oregon Employment Division.

Contains Recycled Materials

STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

OFFICIAL BUSINESS
PENALTY FOR PRIVATE
USE $300

U.S. MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449

90005038-21
CONGRESSIONAL INFORMATION SVC DEPT
SRI
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814